South American Soy Sustainability Report 2021

Cargill
Helping the world thrive
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Published March 2022

Our commitment to reporting
We are firmly committed to sharing our progress on building a sustainable, deforestation-free soy supply chain. Part of that commitment includes continuing to publish progress reports on a regular basis.

Year-end report:
- Industry-wide production figures
- Number of Cargill suppliers and percentage that are direct or indirect
- Deforestation- and conversion-free (DCF) calculations
- Share of direct volumes coming from suppliers that are polygon mapped
- Total area monitored by certification programs
- Number of blocked farms
- Number of grievances

Mid-year update:
- Share of direct volumes coming from suppliers that are polygon mapped
- Number of blocked farms
- Number of grievances

This year-end report covers calendar year 2021. All information in this report is for that time period, unless otherwise noted. All data is for soy purchased and handled by our local sourcing businesses in South America, unless otherwise noted. For our previous reports, visit our website.
The need to accelerate global climate action has never been greater. This was particularly evident at the recent U.N. Climate Change Conference (COP26) in Glasgow, Scotland, where alongside our customers, NGO partners and governments, we came together to discuss progress and identify pathways forward.

Land use is a key part of the climate equation, and that’s why across Cargill we are investing in sustainable supply chain innovations to preserve our natural resources, protect forests and grasslands, restore previously degraded land, and regenerate our soils.

This report details the steps we are taking to bring those actions to life in our soy supply chain in South America. In 2021, we made significant progress in our journey to build a deforestation- and conversion-free (DCF) soy supply chain in the region, in the context of a soy sector that enables farmers to prosper and treats all people with dignity and respect.

One of the most meaningful ways we have made progress is by working to map our direct supply chain using polygons that follow farm boundaries. This is our top priority, and we are investing significant resources into building our mapping capability at a world-class level. Doing so will enable us to report with greater precision and more effectively monitor land conversion, while upholding the strong protocols in place to block direct suppliers that appear on government or industry lists for illegal or non-compliant activities. All of this work is helping us protect forests and other native vegetation in South America.

Yet there is no single solution to address the challenges we face. That’s why we are working to bring as many bright minds – especially farmers – to the table as possible, so we can generate and scale meaningful ideas. It’s the reason we established the Land Innovation Fund for Sustainable Livelihoods, which funded a first round of projects at the start of 2021 and then grew across several programs and partnerships throughout the year. It’s also why we partnered with everyone from tech accelerators to grower associations to attract more entrepreneurs and innovators to the cause.

Ultimately, it is working together with farmers that will drive progress in South America’s soy sector. We have established a variety of programs across our sourcing network in the region to help farmers use the most advanced sustainable farming practices and continuously improve their operations. Along the way, they are raising their own livelihoods and strengthening their communities.

In the coming year, we are excited for deeper collaboration with customers around the world, new programs on the ground with farmers, and a more robust environment for innovation from a diverse set of organizations. Together, our collective action will transform the food supply chain in a way that will protect native vegetation while sustaining farmer livelihoods.

Thank you for your continued partnership.

Robert Horster
Global Sustainability Lead for Agricultural Supply Chains, Food Ingredients and Bioindustrial
Cargill is committed to transforming our agricultural supply chains globally to be deforestation- and conversion-free (DCF) by 2030. This includes taking action now to find solutions for soy from South America in the quickest and most effective way possible. Our global forest policy lays out our overarching approach to achieving this target. It is founded on our belief that farming and forests can and must coexist. Finding solutions for this equation is what we and our partners are striving to achieve.

Our businesses source soy from all the major growing regions in the world. We are focused on South America as the highest-priority region for soy sustainability because it is home to vital landscapes such as the Amazon, Cerrado and Gran Chaco biomes that must be protected. Meanwhile, the region has grown rapidly in the last few decades to become a major source of the world’s soy, and this growth has underpinned many local, rural economies.

**Our strategic approach rests on three core concepts:**

- Supply chain traceability and mapping efforts should be risk-calibrated
- Prioritization should direct resources toward the highest-risk supplies from the highest-risk areas
- Inclusive sectorwide transformation – centered on farmer engagement – is necessary to truly protect vital ecosystems

We have made four commitments to do our part for sustainable soy from South America:

1. Transforming our soy supply chain to be **deforestation-free** while protecting native vegetation beyond forests
2. Promoting **responsible production**, which benefits farmers and surrounding communities
3. Respecting and upholding the **rights of workers, indigenous peoples and communities**
4. Upholding **high standards of transparency** through reporting of key metrics, progress and grievances

Read more in our Policy on Sustainable Soy - South American Origins.
We are building a transparent supply chain

Our business in South America buys soy both directly from farmers and indirectly from other cooperatives, processors and traders. We are making good progress in mapping this supplier network using polygon mapping for all our direct suppliers’ farm boundaries, aiming to complete this process as quickly as possible. All figures below are for 2021 and include soy purchased and handled by our local sourcing businesses in each country.

Although we buy from many of the same suppliers year after year, our supplier base does change somewhat each crop season. We are remapping this direct supplier network each calendar year to keep it as current and complete as possible. Over time, as we build a larger database of polygon farm boundaries, these remapping efforts will allow us to use polygon farm boundaries to monitor and report over larger areas.

### Brazil

- **135.9 million tons industrywide soy production**¹
- **14,800 Approximate number of suppliers selling soy to Cargill**
- **58% Direct, 42% Indirect**
- **92.3% directly sourced volumes for our South American business that comes from suppliers whose farms have been polygon mapped**
- **96% directly sourced volumes for our South American business estimated to be deforestation- and conversion-free (DCF)**

For polygon mapping in Brazil, we use two methodologies. For suppliers who own the land, we use automated consultation of the INCRA-SIGEF website. For suppliers who rent land to grow their soy, our own commercial team identifies them and collects data. In other countries, all the data collection is done by our commercial team.

### Argentina

- **46 million tons industrywide soy production**²
- **5,600 Approximate number of suppliers selling soy to Cargill**
- **54% Direct, 46% Indirect**
- **88.6% directly sourced volumes for our South American business that comes from suppliers whose farms have been polygon mapped**
- **99% directly sourced volumes for our South American business estimated to be deforestation- and conversion-free (DCF)**

**Sources:** 1. CONAB, 2. MAGYP

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5 Cargill South American Soy, Sustainability Report 2021
### Paraguay
- **9.4 million tons industrywide soy production**
- **1,600** Approximate number of suppliers selling soy to Cargill
- **58%** Direct
- **42%** Indirect
- **82.5%** Deforestation- and conversion-free (DCF)
- **98%** Polygon mapped

### Bolivia
- **3.3 million tons industrywide soy production**
- **200** Approximate number of suppliers selling soy to Cargill
- **100%** Direct
- **0%** Indirect
- **39.2%** Deforestation- and conversion-free (DCF)
- **78%** Polygon mapped

### Uruguay
- **1.7 million tons industrywide soy production**
- **600** Approximate number of suppliers selling soy to Cargill
- **80%** Direct
- **20%** Indirect
- **54.8%** Deforestation- and conversion-free (DCF)
- **100%** Polygon mapped

Sources: 3. CAPECO, 4. ANAPO, 5. Uruguay’s Ministry of Agriculture
Progress on our action plan
The six elements of our action plan

Assess and plan implementation
Defining our policies, action plans and key performance indicators, and training our internal teams so they can help advance them

Understand supply chain risks
Identifying the sources of all our soybeans in South America and the risks of deforestation in those areas, through mapping and analysis

Engage supplier partners
Working closely with farmers to provide them with resources, make sure their concerns are addressed and enlist them in leading the sector’s transformation

Deploy action levers
Spurring progress by building solutions that curb deforestation and provide farmers with alternatives as they seek to maintain their livelihoods

Advance transformational partnerships
Engaging with many stakeholder groups, including farmers, processors, traders, NGOs and governments, to create lasting protection for forests and native vegetation

Monitor, verify and report
Using advanced systems to confirm that the change we want to see is taking place, promote transparency and take corrective action when needed

We are doing our part to help lead the soy sector forward to a sustainable future. Broad partnerships are needed to create the transformation we are collectively striving toward. At Cargill, we are working in real time to make progress with our partners, including farmers, customers, NGOs, government agencies and industry forums. Close collaboration with each of these groups is at the heart of our soy action plan.

This approach to building a sustainable, deforestation- and conversion-free supply chain for soy in South America is anchored in The Soy Toolkit created by Proforest, adapted for the specifics of our business and what we have learned doing similar work in other geographies and supply chains. Regarding risk assessment overall, land conversion is our primary filter in order to protect natural landscapes.
Assess and plan implementation

Broadening our internal understanding

We are focused on embedding sustainability into our commercial strategies and increasing knowledge across our global team of employees. To continue expanding our internal teams’ awareness of soy sustainability issues and how we are proactively engaging locally with farmers to ensure compliance with our soy policy, we constructed a Learning Journey focused specifically on the countries of Argentina, Paraguay, Bolivia and Uruguay. This follows a previous internal Learning Journey focused on soy sustainability in Brazil.

Across four sessions, employees learned about the complex issues affecting these countries and the crucial Gran Chaco biome, and held discussions about how Cargill can continue to advance solutions. Recordings of these sessions have been made broadly available for employees.

Respecting human rights in the soy supply chain

We recognize that in addition to land use and deforestation, human rights are a critically important issue when it comes to soy sustainability. As a company, treating people with dignity and respect is one of the seven Guiding Principles in our Code of Conduct – and we demand that our suppliers do so as well.

We are committed to respecting human rights across the soy supply chain. To understand where we might be creating a risk to people through our business activity or relationships, we are working with leading advisory organizations to conduct a human rights assessment in our South American soy supply chain. This includes identifying potential risks around important human rights issues like land rights, for instance. The results of this assessment will allow us to prioritize the actions needed to protect people in our soy supply chain.
Understand supply chain risks

Monitoring priority areas

We are committed to building a deforestation- and conversion-free (DCF) supply chain as quickly as possible. To do this, we are mapping where our South American business buys soy from and analyzing what portion of it was grown on land that has been converted from native vegetation in recent years.

As part of our risk-calibrated approach, together with The Nature Conservancy we have defined a set of 66 municipalities in Brazil’s Cerrado biome as our highest-priority area. Read more about how we chose these 66 municipalities on the next page. We have focused our mapping efforts here, completing polygon mapping of farm boundaries for all our direct suppliers and using that data to more precisely calculate the DCF percentage of our volumes from these municipalities.

For other parts of Brazil and the additional four countries where we buy soy in South America, we are continuing the process of polygon mapping our direct suppliers. Because it is not complete enough to use polygons to calculate DCF percentages, for these areas we have continued to use our previous methodology of multiplying sector DCF rates by our market share (see page 12).
How we chose our priority municipalities

Of the hundreds of municipalities where soy is grown in the Cerrado biome, we started with criteria that was defined through a public consultation conducted by the Soft Commodities Forum to select those of highest priority to our specific supply chain. We then worked with The Nature Conservancy to validate that list of municipalities as the right ones to prioritize from a conservation perspective.

Our criteria included those that have at least 1% of their land area in the Cerrado and those where Cargill sources soy directly. We also looked at the areas with the highest conversion of native vegetation to soy in recent years based on Prodes, as well as those areas with the highest amount of existing native vegetation that would be suitable for soy cultivation. Crucially, this last point allows us to assess for future risk of deforestation, not just historical conversion. We enriched this analysis using The Nature Conservancy’s own trend tracking database that looks at which municipalities are at risk for further land conversion.

Having completed polygon mapping for all our direct suppliers in these 66 municipalities, we have a clearer picture than ever of our soy supply chain in this region. In addition to giving us a more precise calculation of the DCF percentage of our soy volumes from these areas, this analysis will also give us greater visibility into the areas of high risk, informing our efforts to protect remaining native vegetation in ways that are economically viable for farmers.

Dr. David Cleary, Director of Global Agriculture for The Nature Conservancy:

“We applaud Cargill for expanding its high-priority areas based on thorough analysis of conversion risk in its Cerrado supply chain. Cargill’s methodology focused on risk is especially important as we work together with farmers and other partners to protect all native vegetation in these areas and identify incentives to make that possible.”

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Our two methods of calculating DCF percentages for our direct supply

**Sectoral averages**

Our team analyzed satellite information from the datasets managed by the U.S. Geological Survey and the University of Maryland on crop production and land conversion. This analysis indicated how much soy production in all five countries did not take place on land converted from native vegetation since 2008, a date that aligns with Brazil’s Forest Code.

Knowing this sectorwide rate of soy that is DCF in each soy-producing state, we multiplied those percentages by the soy volumes originated from direct suppliers by our local business during the 2021 crop year. We then tallied our estimated DCF soy for each country and divided this figure by our total soy volumes in the country to arrive at Cargill’s estimated percentage for DCF soy.

**Polygon farm boundaries**

We used two sources to determine polygon farm boundaries for direct suppliers in the 66 priority municipalities of Brazil. For direct suppliers who own the land, we used automated consultation of the INCRA-SIGEF website. For direct suppliers who rent land to grow their soy, our own commercial team identified them and collected data.

Once these farm boundaries were identified, we used similar analysis of historical satellite data to determine the percentage of soy volumes that came from farms where land had not been converted from native vegetation to soy since 2008. This makes the calculation of our DCF percentage from these areas more precise than the estimates based on sectoral averages and our market share.

This polygon mapping work is our top priority, and we are investing significant resources into building our mapping capability at a world-class level.

**Places where we used this method for this report**

The 66 municipalities in our highest-priority area in Brazil (shown here), as well as similar high-priority areas identified by the Soft Commodities Forum.

**Where we started**

In our 2020 year-end report, we used sectoral averages to calculate an estimated DCF figure for our soy volumes in Brazil, Argentina and Paraguay.

**Where we are now**

In this report, we used polygon farm boundaries to calculate a precise DCF figure for our soy volumes from our highest-priority area of Brazil, and the sectoral average method to estimate our DCF figure for the rest of Brazil and the other four countries.

**Where we are heading**

Going forward, we will use polygon farm boundaries to calculate a precise DCF figure for our soy volumes from larger and larger areas of South America, until all areas can be calculated this way on a regular basis.
A new certification for biofuels

To meet growing demand for soy-based renewable biofuels, we are certifying relevant soy facilities in Brazil, Paraguay and Argentina under the International Sustainability & Carbon Certification (ISCC) program. This combined with our existing sourcing from farmers certified under the 2BS standard will give us greater flexibility to fulfill customers’ needs for biofuel feedstocks that meet various regulatory requirements and initiatives.

Individual action plans in Bolivia

In Bolivia, we are building out our Sustainable Soy Pathways program alongside our partners Solidaridad and Asociación de Productores de Oleaginosas y Trigo (ANAPO), the national soy growers’ association. The program is working with farmers to create individual action plans that help them close gaps on key indicators and improve overall production methods, so they can position Bolivian soy as a responsible product in the global marketplace. We will continue to look to expand the program by enrolling additional suppliers in the months ahead.

“With this program, we hope to gain better ways to handle pests and disease that attack our crops, increase the yields of our crops, and reduce crop losses, which no farmer wants to have.”

Alfredo Cahuasiri Frontanilla, farmer participating in the Sustainable Soy Pathways program in Bolivia

Supporting women in agriculture

For the fourth year, we sponsored the Brazilian Congress for Women in Agribusiness, a national three-day event in October with more than 2,500 attendees. The forum has become increasingly focused on issues of sustainability, economic development and technology – and this year was no exception. We participated in multiple ways, including leading a panel that discussed how technological innovations can help rural women prosper. Two of our customers were among the panelists, along with Renata Nogueira, Cargill’s sustainability leader for our South American agricultural supply chain business. Paulo Sousa, the group leader of that business, also spoke on a separate panel about how Brazil can help sustainably nourish the world, moderated by the director of sustainable production in Brazil’s ministry of agriculture.

At the same time as this forum, Cargill also sponsored the Youth Agribusiness Movement International, which encourages Latin American youth to engage with and innovate for the future of agriculture.
Advancing a trusted certification program

We have made good progress expanding Triple S – Cargill’s proprietary soy certification program – to Argentina, enrolling 122 farmers representing 85,000 hectares of soy production. Triple S helps these suppliers verify that their soy has been produced with high standards, including being deforestation- and conversion-free (DCF). It also provides tools and knowledge to continuously improve aspects of their production. Having visited nearly all farms enrolled, measured a baseline and established chain-of-custody certifications in 2021, we can now begin receiving Triple S soy from these farmers following the current harvest. This will help us meet rising demand for Triple S soy from destination markets in Europe and elsewhere.

In Brazil and Paraguay, we are also equipping Triple S suppliers to integrate regenerative agricultural practices into their operations. We are sharing techniques through a variety of materials like this video from our partner, Instituto Biosistêmico (IBS). The goal is to bring regenerative agricultural practices to all our Triple S suppliers, helping them further distinguish their soy through added environmental benefits.

Across South America, our Triple S program includes:

**Approximately**

**400 farms**

**Covering nearly**

**1.2 million hectares**

**Why mass balance is the right approach for Triple S:** Using a mass balance system enables customers to incentivize changes in soy production in a much more cost-effective way. It also is more sustainable in the sense that it reduces the need for redundant infrastructure like separate storage and transportation.

**Certified producers** grow crops based on certified production criteria and get a premium for committing to those criteria, which require time, effort and money.

**Premiums** paid for certified products help drive changes in production methods across the sector that align with customers’ values and those of their consumers, including growing soy that is free from deforestation and conversion.

**Customers** know that Cargill has bought volumes of certified soy equal to the amount they purchased, grown in a way they support.

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Supply chain: Storage, transportation, processing and distribution

Volumes of Triple S soy are accounted for through documentation at each stage of the journey. This means that although they are comingled with conventional soy to make the program cost-efficient, we keep detailed information about where specific Triple S shipments originated all the way back to the farm level.
Building an enabling environment for sustainable innovation

The Land Innovation Fund for Sustainable Livelihoods – which Cargill launched with a commitment of $30 million – supports projects that will help protect native vegetation across South America. With its first round of projects now funded for more than a year, and additional projects and initiatives underway, our learnings with administrative partner Chemonics International have been substantial. First among them is that fostering sustainable innovations with long-term impact will require building up a stronger, more interconnected innovation landscape in the region. We are directing investments to better connect farmers, innovators, policymakers and others to pilot new ideas that incentivize the protection and restoration of native vegetation.

Creating connections and driving dialogue in Round 1

<table>
<thead>
<tr>
<th>Farmer level</th>
<th>State level</th>
<th>National level</th>
<th>Regional level</th>
</tr>
</thead>
<tbody>
<tr>
<td>We supported meetings with state governments in Brazil’s Matopiba region and used those dialogues to develop a report on policies that can help drive forest restoration.</td>
<td>We worked with Solidaridad to support multistakeholder platforms to protect the Gran Chaco in Argentina, Bolivia and Paraguay.</td>
<td>LIF360 will be a semi-annual event for partners to surface new ideas; the first one drew 110 participants from 66 institutions and 13 countries.</td>
<td></td>
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<tr>
<td>We are working closely with AIBA, the soy producers’ association for the state of Bahia in Brazil, to connect with farmers and show them how technology and agricultural practices can raise their productivity while also protecting forests. This includes showcasing methods and tools to measure the carbon balance on their lands.</td>
<td>We launched our Land Innovation Fund Dialogues, working with Argentine partners like non-profit researcher ProYungas and producer association AAPRESID to host a series of events from October to December.</td>
<td>We are helping entrepreneurs connect to mentoring and financing, while also cultivating pathways to scale up their best ideas. This includes startup contests and hackathons hosted by AIBA, as well as a major project with innovation hub AgTech Garage (read more on the next page).</td>
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Thinking bigger and broader with Round 2

We are finalizing the list of recipients for the next round of grants from the fund, which we plan to release soon. We were happy to receive far more proposals than anticipated – nearly 50 – and we will be committing more financing to this round than originally projected. The breadth of these proposals gives us tremendous optimism and fuels our drive to build an enabling environment for innovation across South America.

To learn more, visit the fund’s website.
Cross-pollinating breakthrough ideas

In partnership with Brazil-based AgTech Garage, the Land Innovation Fund launched the Sustainable Soy for the Cerrado Program in 2021. Across two cycles, we selected 10 startups to receive mentoring, networking and funding. Thanks to this program, the startups have also been able to connect and collaborate on innovative initiatives.

Startups funded with AgTech Garage this year

- AgTrace
- Forestmatic
- Plantem
- SciCrop
- Agrobótica
- Brain Agriculture
- BRCarbon Environmental Services
- Quiron
- Um grau e meio
- Safe Trace

Read more about all of these startups and their work here.

Collaborative initiatives set to receive additional funding

**HyperTransparency**
This joint effort among AgTrace, Brain Agriculture, BRCarbon Environmental Services and Um grau e meio will build an integrated solution for rural producers to monitor key indicators and track documentation using blockchain.

Read more about these collaborations here.

**Carbon storage in soil**
Agrobótica will use an artificial intelligence platform to analyze soil in some of the most productive areas of Brazil’s state of Bahia, to show the impact of sustainable practices on both carbon sequestration and increased agricultural productivity.

**Protect the Cerrado**
Forestmatic and Plantem will work together to encourage restoration and conservation in the biome by connecting small farmers and environmentally responsible companies and paying for environmental services that result from their forest restoration practices.

A simple, smart solution

Our customers have different needs when it comes to sustainable soy, based on their own commitments and the expectations of their stakeholders. For those who want to buy soy that’s deforestation- and conversion-free (DCF) based on a specific cutoff date, our Smart Soy™ program offers a simple solution.

Using our advanced satellite technology, we analyze land use at the municipality level from the regions where we have originated soy that crop season to identify areas that meet the customer cutoff requirement and apply a mass balance approach. Customers receive a report that documents and authenticates the volumes purchased. This independently audited program provides a higher level of supply chain traceability and transparency than conventional soy products. It’s one more way that we are bringing DCF soy into the mainstream.

Connecting stakeholders in Brazil

We continued our partnership with Brazil-based nonprofit Climate Ventures by hosting a virtual summit in late October, where topics included climate policy in the region, climate resilience and financing for climate action. A panel also examined the report we co-sponsored with Climate Ventures, titled “The Green Wave,” that researched the most promising pathways to bring climate solutions to scale in the region.

The summit included about 900 attendees from across both public and private sectors throughout Latin America. In addition to the discussions, it was a chance for entrepreneurs, government representatives, financing institutions and others to connect and network with the intent to catalyze projects and startups. Occurring on the eve of the global COP26 discussion, the summit took place at an optimal time, with momentum building for Brazil’s transition to a low-carbon economy.

Read more about these collaborations here.
### Blocked farms by list in the second half of 2021

<table>
<thead>
<tr>
<th></th>
<th>Number of farms we blocked</th>
<th>Additional operations we analyzed to avoid rerouting of soy from restricted areas</th>
</tr>
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<tbody>
<tr>
<td><strong>Federal lists</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBAMA</td>
<td>66</td>
<td>89</td>
</tr>
<tr>
<td></td>
<td>Covering all of Brazil, this list by the country’s environmental agency includes embargoes for all types of illegal environmental activity such as illegal deforestation, improper licenses and farm management issues.</td>
<td></td>
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<tr>
<td>ICMBIO</td>
<td>37</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Covering all protected conservation areas within Brazil, this list includes embargoes for deforestation violations inside those areas.</td>
<td></td>
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<tr>
<td><strong>Slave Labor List</strong></td>
<td>2</td>
<td>2</td>
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<tr>
<td></td>
<td>Including all of Brazil, this list marks suppliers accused of making use of workers under conditions analogous to slavery according to Brazilian laws.</td>
<td></td>
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<tr>
<td><strong>State lists</strong></td>
<td></td>
<td></td>
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<tr>
<td>Embargoes Mato Grosso</td>
<td>111</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>A list managed by the state’s environmental agency recording all environmental violations.</td>
<td></td>
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<tr>
<td>List of Illegal Deforestation (LDI) from Pará</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>A list run by the state’s environmental agency covering illegal deforestation.</td>
<td></td>
</tr>
<tr>
<td><strong>Sectoral lists</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Grain Protocol</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>This is part of a commitment signed in 2014 that establishes criteria for responsibly purchasing grain from farms operating in Pará.</td>
<td></td>
</tr>
<tr>
<td>Amazon Soy Moratorium</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Managed by the Soy Working Group, this list monitors all types of conversion of native vegetation to soy production in Brazil’s Amazon biome.</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial partners of farmers appearing on the lists above</strong></td>
<td>244</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>491</td>
<td>248</td>
</tr>
</tbody>
</table>

### How and why we block farms

Our strong system of controls helps ensure the integrity of our direct soy supply chain in Brazil. Every day, our automated system consults lists managed by various agencies and organizations (see table to the left). When a farming operation appears on one of these lists, it is immediately blocked so it is not eligible to sell soy to us.

We also block other farms registered to the same person or entity in the state, as well as those with whom they have a close commercial relationship. These affiliated farms cannot be unblocked until we conduct a thorough analysis to help ensure that soy from the violating farm is not being rerouted and sold to us through the affiliated operation. These affiliated farms are re-evaluated each new crop season to confirm they are still complying.

As deforestation has increased recently in some parts of Brazil, we have seen more farms being added to blocked lists, showing that the system of controls is working. We passed our most recent annual third-party audit to confirm our compliance with the Amazon Soy Moratorium and the Green Grain Protocol. No non-compliant soy was found to have entered our supply chain in these audits.
Building a shared roadmap

Knowing that no one organization can transform the soy sector, we continue to participate in the Forest, Agriculture & Commodity Trade (FACT) Dialogue Taskforce. In addition, at COP26 in Glasgow, we signed a Corporate Statement of Purpose brokered by the U.S. and U.K. governments and facilitated by the Tropical Forest Alliance (TFA). This agreement reinforces our existing commitment to halt forest loss associated with agricultural commodity production, including in our soy supply chain. We have started working with TFA and others in the industry to define a collective roadmap by COP27 for enhancing actions in our supply chains that will help keep global warming on a pathway to no more than 1.5°C.

Driving sector transformation

With a belief in the power of collective action, we are striving to build pre-competitive solutions for soy sector transformation through the Soft Commodities Forum (SCF). The aim of these solutions is to put farmers at the center and enable them to drive systemic change, especially in SCF’s high-priority municipalities. Read the latest progress report from SCF, including Cargill’s metrics. Additionally, we have completed polygon mapping for our direct suppliers from all of SCF’s 61 high-priority municipalities.

Leaning on outside expertise

When we formed our Land Use and Forest Sustainability Advisory Panel in 2019, the experts who joined agreed to participate for two years. As we recently reached that milestone, we were pleased to see that all the organizations renewed their involvement. This tells us that they believe in the value of this forum, and we look forward to continuing to tap into their expertise and learn from their collective experience and perspectives. Read about the latest meeting of the panel here.

Spinning up the bioeconomy

Developing a strong bioeconomy will help encourage responsible land use and good stewardship of natural resources. In Brazil, programs to support a bioeconomy are gaining momentum, which is why during October the World Bioeconomy Forum held its most recent annual event in Brazil’s state of Pará, part of the Amazon biome. In line with our objective to protect that biome, we sponsored the event and took part in a panel discussion with TFA on how public-private partnerships can reduce greenhouse gas emissions from such areas.

Because we believe community socioeconomic development and conservation of natural resources can co-exist, we are exploring a project with the Amazon 4.0 initiative that will study how to better cultivate different kinds of tree nuts for human consumption in the Amazon biome. It aims to invest in science to support sustainable development in the region, encouraging communities in the Amazon to foster sustainable alternatives for using forest resources, in addition to promoting social inclusion and generating greater income for them. We anticipate that the study will examine agronomy, innovative supply chains and products, and other issues that could increase the viability of this bioeconomic activity.

Protecting the Gran Chaco

We continued our engagement with the Visión Sectorial del Gran Chaco Argentino (ViSeC), which aims to protect native vegetation in the Gran Chaco. In recent months, we joined both the technical committee and the communications committee within ViSeC. The former is currently defining an action plan to build a common system for tracking soy and deforestation in the biome. Once this system is established, we will have a common set of performance indicators for all members to report. We are also working with other members to increase transparency around compliance with Argentina’s forest law across the sector.
Delivering training in key soy-growing states

Cargill is a longstanding sponsor of Agro Plus, formerly known as Soja Plus, a free and voluntary program for soy farmers organized by the Brazilian Association of Vegetable Oil Industries (ABIOVE) that gives producers training and technical guidance. This includes education on regulatory compliance and ways to improve economic, social and environmental indicators in their operations. Cargill sponsors Agro Plus programming in the states of Goiás, Maranhão and Minas Gerais.

After a pause of on-farm activities due to the COVID-19 pandemic, field work resumed in the second half of 2021. The technical partner for the program in Goiás state, Instituto BioSistêmico (IBS), also launched a webinar for farmers. Technicians hired specifically for the program in Maranhão and Minas Gerais engaged directly with farmers, as well.

Innovative approaches to restoration

Initiative 20x20 is an effort led by 18 countries to change the dynamics of land degradation in Latin America and the Caribbean, with a goal to protect and restore 50 million hectares of land in the region by 2030. World Resources Institute (WRI) acts as the initiative’s secretariat. Since its launch in 2014, it has grown substantially. It has $3.1 billion of private capital earmarked for financing restoration and new permanent conservation projects, as well as 95 technical partners. Nine technical task forces focus on critical issues for restoration in the region, and investment partners have started work on 135 projects across nearly 22.8 million hectares.

A key mechanism to advance toward the initiative’s longer-term goals is to learn from, expand and scale up successful business models. In 2020, Cargill committed to providing $1.8 million to support WRI as the secretariat for Initiative 20x20, to make sure WRI has the resources needed to support the expansion of individual projects and innovative business models for restoration of the Amazon and Cerrado biomes of Brazil, Argentina and Paraguay.

WRI has so far identified five concrete opportunities in Brazil on a total of more than 400,000 hectares. These have now received or are in the process of receiving technical support to address information gaps or bottlenecks that would allow deployment of finance for implementation. Three of these opportunities – potentially totaling 200,000 hectares and containing scalable, transformational models – have already secured the needed financial commitments for their implementation, in part as a result of support from Cargill.

Innovative, scalable solutions like these can serve as breakthroughs to help protect native vegetation while also supporting local livelihoods.

<table>
<thead>
<tr>
<th>States in Brazil where Cargill funds Agro Plus</th>
<th>Farms</th>
<th>Total land area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maranhão</td>
<td>69</td>
<td>260,000 ha</td>
</tr>
<tr>
<td>Goiás</td>
<td>50</td>
<td>57,000 ha</td>
</tr>
<tr>
<td>Minas Gerais</td>
<td>74</td>
<td>131,000 ha</td>
</tr>
</tbody>
</table>

135 projects
Providing traceability for soy purchases

In early 2021, we launched our customer-facing SoyaWise™ traceability portal for those in the U.K. buying soy from North and South America. It allows our customers to use mapping tools powered by ArcGIS to follow their soy flows back to sub-regions in origin countries and overlay data like deforestation risks. This helps them understand more about their soy purchases and pass on information to their own customers.

With the success of this first phase, we have now made SoyaWise available to customers in France and will roll it out further in the EU and elsewhere. We also are working on the next iteration of enhanced features to meet our customers’ needs, which will enable a more customized view of their soy supply chain that can be shared with end users like retailers.
Addressing grievances

We take immediate action to investigate when we receive reports of a problem related to our supply chain. Our grievance process lays out a transparent mechanism for us to review, address and monitor any concerns as they are raised to us in relation to compliance with our soy policy. This includes documenting who raised the grievance, the farms or organizations being investigated, the status of our investigation, and our findings.

We take grievances seriously. We do not tolerate retaliation against anyone who, in good faith, raises a concern or participates in an investigation or whistleblowing. We prohibit harassment, intimidation and the use of violence by any employee, supplier or third-party contractor throughout engagement in our grievance process. Additionally, all suppliers are subject to Cargill’s Supplier Code of Conduct and our Policy on Forests.

39 soy-related grievances were reported in our system during the second half of 2021

<table>
<thead>
<tr>
<th></th>
<th>Deforestation</th>
<th>Social</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 were related to our supply chain or operations</td>
<td>▼</td>
<td>★</td>
<td></td>
</tr>
<tr>
<td>22 were unrelated to our supply chain or operations</td>
<td>▼</td>
<td>★</td>
<td>★</td>
</tr>
</tbody>
</table>

Taking action

As one example of our serious commitment to the grievance process, we recently became aware of workplace safety allegations against a transportation company that is a supplier for our local origination business in Brazil. We conducted an internal investigation and created an action plan, as stipulated in our grievance process. Additionally, all suppliers are subject to Cargill’s Supplier Code of Conduct and our Policy on Forests.

SGS, the third-party auditor, used the well-established Checklist for Social Compliance standard. Both companies took joint follow-up action to ensure that the few instances of non-compliance found by the audit will not be repeated.

Sharing your feedback

We want your feedback on how we can enhance our actions and future reporting. Please share your thoughts by email so we can use them to keep improving our processes and policies.
South America’s major biomes

The Amazon, Cerrado and Gran Chaco biomes spread across several countries. In order to understand them in the context of our supply chain mapping, it’s important to recognize that they are vastly different in terms of their natural characteristics and the local communities that depend on them. The Amazon is the world’s biggest tropical forest, home to an immense amount of biodiversity as well as indigenous cultures. Soy farming occurs mainly around its edges. Meanwhile, the Cerrado is a savannah that stretches across Brazil’s agricultural heartland. Farming activity here serves as the backbone for local economies and 46 million inhabitants. 1 The Gran Chaco spreads across parts of Argentina, Bolivia and Paraguay. It is the continent’s second-largest forest, home to important biodiversity and many different communities as well.

### The Amazon
- 82.1% of native vegetation in Brazil still intact²
- 2.0% of soy planted in Brazil today is on land that was native vegetation in 2008³, none of which enters Cargill’s direct supply chain

### The Cerrado
- 54.4% of native vegetation still intact⁴
- 10.6% of areas cleared of native vegetation between 2014 and 2020 was converted to soy between the 2013-14 and 2020-21 crop seasons⁵

### The Gran Chaco
- 81% of native vegetation still intact⁶
- 1.5% of areas cleared of native vegetation since 2008 had soy on them for the 2019-20 crop⁷

## About Cargill

Our purpose is to nourish the world in a safe, responsible and sustainable way.

<table>
<thead>
<tr>
<th>We are</th>
<th>Working in</th>
<th>With more than</th>
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</thead>
<tbody>
<tr>
<td><strong>155K employees</strong></td>
<td><strong>70 countries</strong></td>
<td><strong>155 years of experience</strong></td>
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</table>

Delivering for customers in more than **125 countries**

We aim to be the most trusted partner for food, agriculture, financial and industrial customers.
Our business
Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive.

For farmers
We supply feeds, other inputs and expertise to farmers, and buy crops and livestock from them.

We provide insights to our partners

We transform raw materials into finished goods

We move products around the world

How we work
Our integrated operating approach enables our businesses to provide industry-leading products and services in their specific sectors while also drawing on the full world of Cargill’s expertise. We deliver this expertise locally, quickly and reliably through world-class capabilities and operations everywhere we do business.

Our global functions equip our businesses to do this effectively and efficiently by providing process governance and deep subject matter expertise on issues that affect us, our customers and other partners.

Cargill’s Executive Team is responsible for the company’s strategic direction, talent development and overall financial performance. Led by Board Chair and CEO Dave MacLennan, members of the Executive Team represent all of Cargill’s enterprises, as well as major global functions. They use a diverse set of experiences from both inside and outside of the company to lead and achieve results.

Our Guiding Principles
Doing business ethically is key to our long-term strategy and relationships. Our seven Guiding Principles make up the core of our Code of Conduct. We require all employees and contractors to follow them, and expect our suppliers to do the same.

1. We obey the law.
2. We conduct our business with integrity.
3. We keep accurate and honest records.
4. We honor our business obligations.
5. We treat people with dignity and respect.
6. We protect Cargill’s information, assets and interests.
7. We are committed to being a responsible global citizen.
Our approach to sustainability

Our purpose is to nourish the world in a safe, responsible and sustainable way. It’s who we are. It’s why we exist. As the world faces extraordinary challenges – from climate change to food insecurity – delivering on our purpose is more critical than ever before.

Our global sustainability strategy sets clear priorities based on the most material issues to our business. We identified Climate, Land & Water and People by evaluating the environmental, social and economic impacts of our diverse business and supply chains.

As we drive progress against these areas, we’ll do so by engaging, empowering and advancing sustainable practices across farm and field, because we believe agriculture is how we’ll deliver.

Agriculture is how we help people and the planet thrive.

As the world joins in advancing the U.N. Sustainable Development Goals, we believe that many of the solutions to the challenges we’re facing can be found in the very place our food system begins: Agriculture. Agriculture can be a force for good. We aim to empower farmers and workers, support local communities, promote safe and fair working conditions and ensure food is nutritious and plentiful for all. We’re also driving progress on priorities that safeguard our planet and help ensure we’re operating our business in a sustainable way. Through our work with key partners, collaborative initiatives with our customers and through constantly innovating the products and services that we offer, we are committed to creating impactful change that leverages our scale of operations and reach.

By empowering farming communities, protecting land and regenerating our soils, we’ll nourish this growing population – safely, responsibly and sustainably.